

**SEMINOLE COUNTY GOVERNMENT  
AGENDA MEMORANDUM****SUBJECT:** Briefing on Proposed Water and Sewer Rate Adjustments**DEPARTMENT:** Environmental Services **DIVISION:** Administration**AUTHORIZED BY:** Robert G. Adolphie **CONTACT:** Bob Briggs **EXT.** 2148  
Robert G. Adolphie, P.E. Finance Manager**Agenda Date** 8-12-03 **Regular** ☐ **Consent** ☐ **Work Session** ☐ **Briefing X**  
**Public Hearing – 1:30** ☐ **Public Hearing – 7:00** ☐**MOTION/RECOMMENDATION:**

Provide direction to staff regarding proposed utility rate adjustments to be considered for BCC approval at a later date.

**BACKGROUND:**

The County's utility rate consultant Public Resources Management Group (PRMG) has completed the first phase of the analysis associated with residential and commercial user charges for potable water and sanitary sewer. These rate levels coming forward for BCC consideration support recent Consumptive Use Permit (CUP) requirements for implementation of a more aggressive water conserving rate structure. The second and final phase addressing connection fee costs, reclaimed water rates and miscellaneous charges will follow at a later date. The BCC has maintained utility rates at current levels since 1996.

As the attached summary presents, the new rate structure is designed to be revenue neutral with no overall increase in water revenue levels recommended. Only a restructuring of rates to promote greater conservation of resources is recommended. Additionally, PRMG is recommending an index adjustment to sewer rates in the amount of 1.31% consistent with Florida Public Service Commission annual practices.

Reviewed by:

Co Atty: na

DFS: \_\_\_\_\_

Other: \_\_\_\_\_

DCM: \_\_\_\_\_

CM: \_\_\_\_\_

File No. BESA01

SEMINOLE COUNTY  
DEPARTMENT OF ENVIRONMENTAL SERVICES



**WATER AND WASTEWATER  
UTILITY SYSTEM PROPOSED RATE ADJUSTMENT  
BRIEFING DOCUMENT**



Public Resources Management Group, Inc.  
*Utility, Rate, Financial and Management Consultants*



## Overview

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- ❑ PRMG Tasked with Performing Water and Wastewater Rate Review
  - Rates Last Increased 8 Years Ago
- ❑ Phase I – Immediate Issues
  - Adopt Water Conservation Promoting Rate Structure
    - SJRWMD Consumptive Use Permit Requirement
    - Revenue Neutral Adjustment
    - Recognizes Price Elasticity
    - No Other Adjustments Recommended
  - Adopt Rate Index for Wastewater System



## Overview

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- ☐ Phase II – Review Capital Connection Fees, Reclaimed Rates and Other Miscellaneous Charges

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## Proposed Water Rate Adjustments

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- ☐ No Adjustments Made to Monthly Basic Service Charge
- ☐ Increases the Residential Volumetric Rates to Customers Utilizing in Excess of 15,000 Gallons per Month
  - Approximately 70% of Residential Customer Base Receive Little to No Rate Increase
  - Designed to Promote Larger Water Users to Conserve Water Resources
- ☐ Proposed Water Rates Alter Commercial Water Conservation Block Structure from Meter-Based to ERC-Based Approach
  - Promotes Equity Among Commercial Customer Base

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## Existing vs. Proposed Water Rates

		Existing			FY 2004 Proposed
<b>Basic Service Coverage:</b>			<b>Basic Service Coverage:</b>		
Single-Family		\$6.60 per unit or ERC	Single-Family		\$6.60 per unit or ERC
Commercial		\$6.60 per unit or ERC	Commercial		\$6.60 per unit or ERC
Irrigation		\$6.60 per unit or ERC	Irrigation		\$6.60 per unit or ERC
Multifamily		\$5.20 per unit or ERC	Multifamily		\$5.20 per unit or ERC
<b>Consumption Charge (per 1,000 gallons)</b>			<b>Consumption Charge (per 1,000 gallons)</b>		
<b>Residential</b>			<b>Residential</b>		
0-10,000		\$0.65 per 1,000	0-8,000		\$0.60 per 1,000 gallons
10,001-15,000		0.95 per 1,000 gallons	8,001-15,000		1.00 per 1,000 gallons
15,001-20,000		1.25 per 1,000 gallons	15,001-20,000		1.75 per 1,000 gallons
20,001-30,000		1.50 per 1,000 gallons	20,001-30,000		2.50 per 1,000 gallons
Above 30,000		1.75 per 1,000 gallons	30,001-50,000		3.50 per 1,000 gallons
			Above 50,000		4.75 per 1,000 gallons

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## Existing vs. Proposed Water Rates

		Existing			FY 2004 Proposed
<b>Consumption Charge (per 1,000 gallons)</b>			<b>Consumption Charge (per 1,000 gallons)</b>		
<b>Commercial</b>			<b>Commercial</b>		
0-10,000		\$0.65 per 1,000	0-15,000		\$0.85 per 1,000 gallons
10,001-15,000		0.95 per 1,000 gallons	15,001-30,000		1.75 per 1,000 gallons
15,001-20,000		1.25 per 1,000 gallons	Above 30,000		3.00 per 1,000 gallons
20,001-30,000		1.50 per 1,000 gallons			
Above 30,000		1.75 per 1,000 gallons			
<b>Irrigation</b>			<b>Irrigation</b>		
0-15,000		\$0.95 per 1,000	0-15,000		1.00 per 1,000 gallons
15,001-20,000		1.25 per 1,000 gallons	15,001-20,000		1.75 per 1,000 gallons
20,001-30,000		1.50 per 1,000 gallons	20,001-30,000		2.50 per 1,000 gallons
Above 30,000		1.75 per 1,000 gallons	30,001-50,000		3.50 per 1,000 gallons
			Above 50,000		4.75 per 1,000 gallons

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## Proposed Wastewater System Rate Adjustments

- ☐ Current Rate Levels Not Anticipated to be Sufficient to Fund Allocated Costs of Wastewater System Operations
- ☐ Recommended County Adopt Minimal Rate Adjustment to be Applied Uniformly Among Utility Customer Base
  - Amounts to Increase of Approximately 1.31%
  - Coincides with Florida Public Service Commission (FPSC) Approved Adjustment Factor

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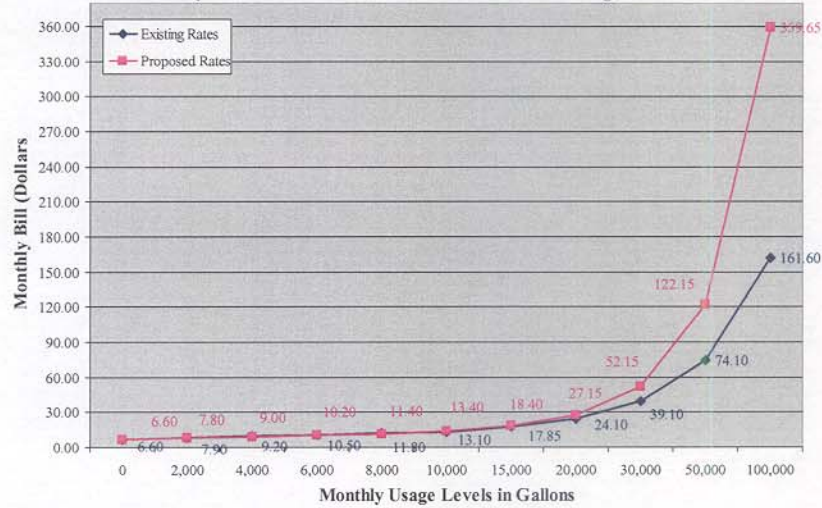
## Existing vs. Proposed Wastewater Rates

	Existing	FY 2005 Proposed
Basic Service Coverage:		
Single-Family	\$11.35 per unit or ERC	\$11.50 per unit or ERC
Commercial	\$11.35 per unit or ERC	\$11.50 per unit or ERC
Multifamily	\$9.75 per unit or ERC	\$9.90 per unit or ERC
Consumption Charge [1] (per 1,000 gallons metered water)	\$2.59 per 1,000 gallons	\$2.63 per 1,000 gallons

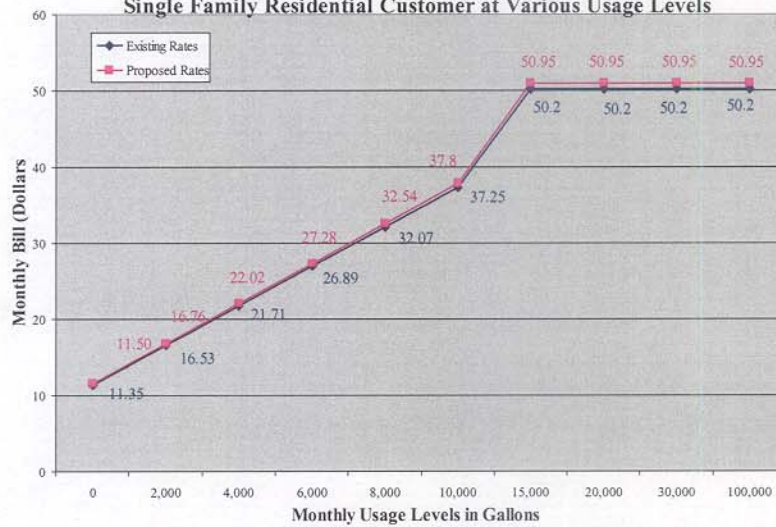
[1] Capped at 15,000 gallons per month for individually-metered residential units and 12,000 gallons per month for all master-metered multifamily units.

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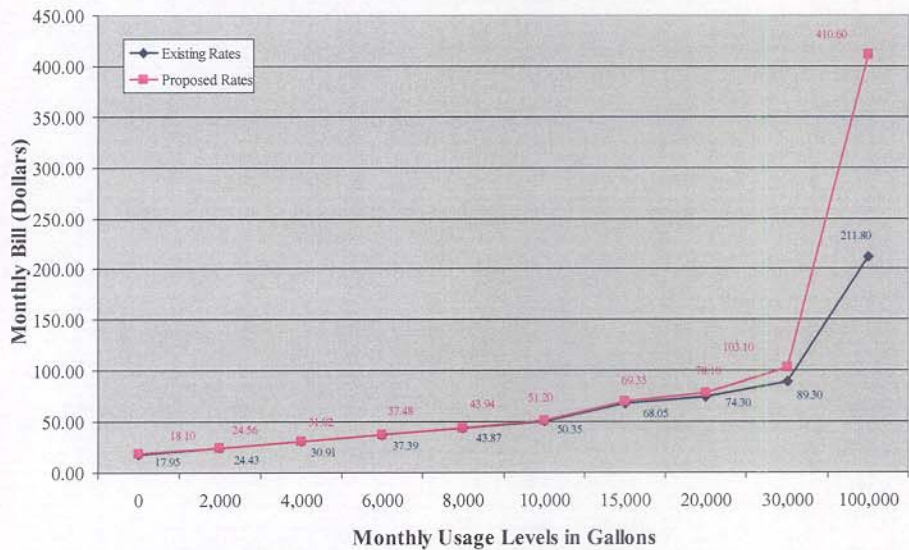
**Figure 1**  
**Customer Impact of Proposed Water Rates on Typical Single Family Residential Customer at Various Usage Levels**



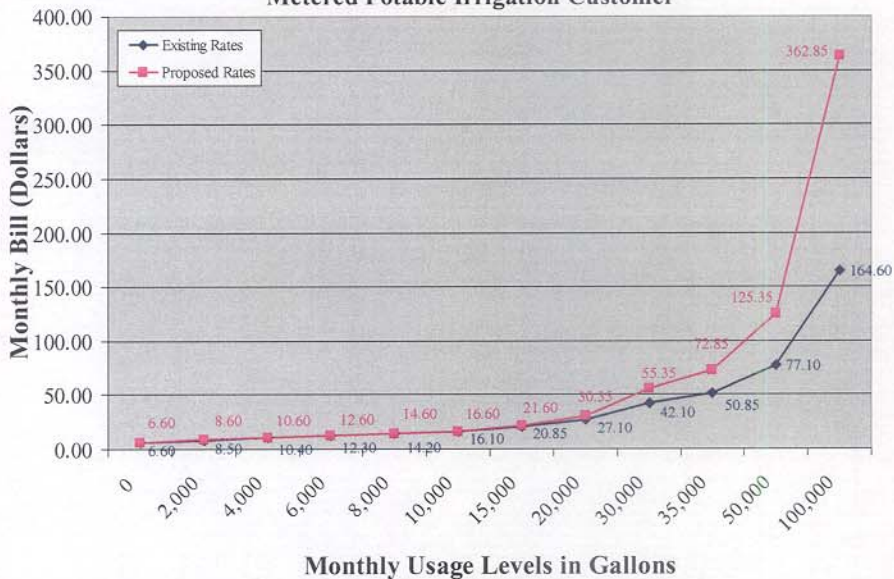
**Figure 2**  
**Customer Impact of Proposed Wastewater Rates on Typical Single Family Residential Customer at Various Usage Levels**



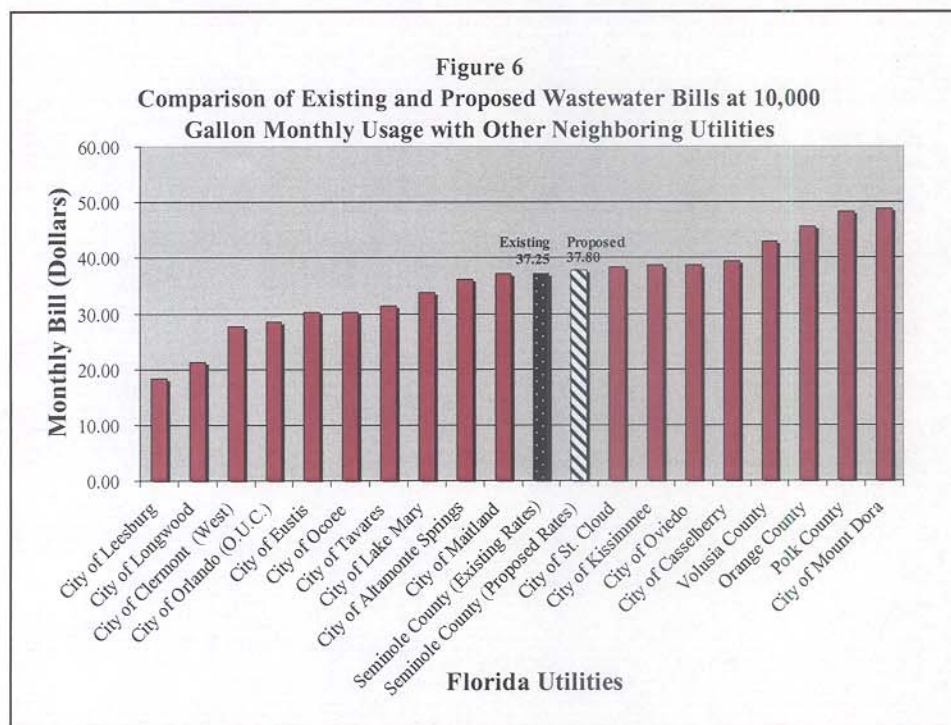
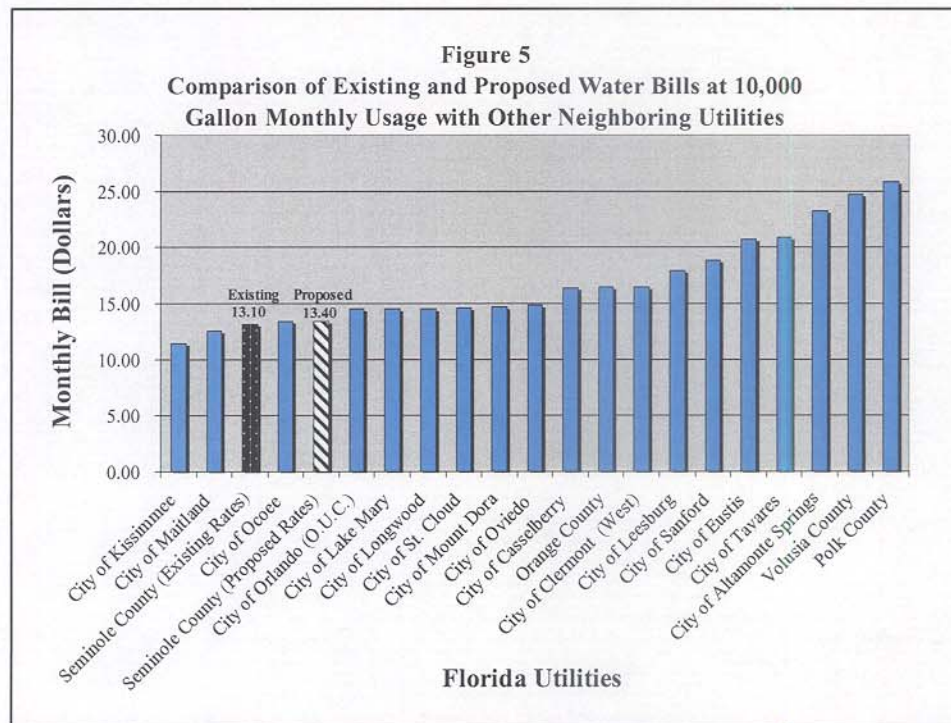
**Figure 3**  
**Customer Impact of Proposed Water and Wastewater Rates on Typical Single Family Residential Customer at Various Usage Levels**



**Figure 4**  
**Customer Impact of Proposed Water Rates on Separately Metered Potable Irrigation Customer**

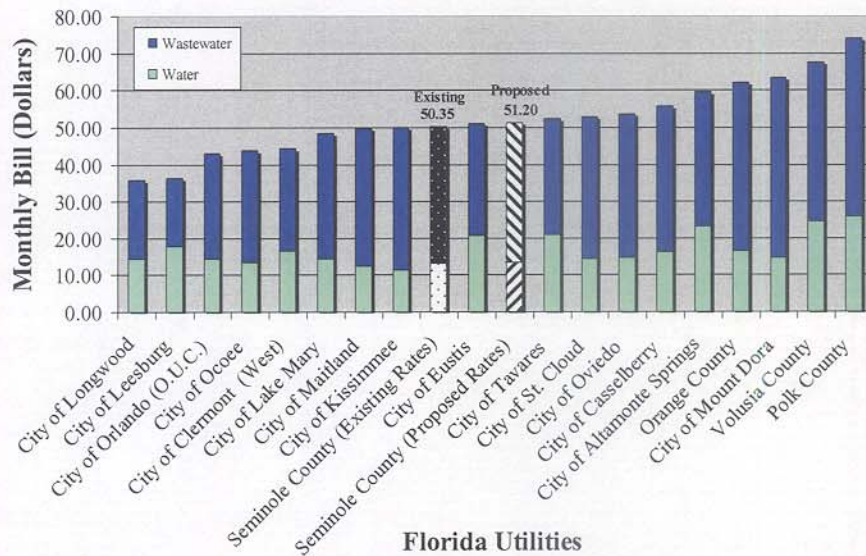








**Figure 7**  
**Comparison of Existing and Proposed Water and Wastewater Bills at**  
**10,000 Gallon Monthly Usage with Other Neighboring Utilities**



## Summary Recommendations

- ☐ Adopt Water Conservation Rate Structure Adjustments
- ☐ Implement Wastewater System Index Adjustment
- ☐ Review Sufficiency of Rates Twelve Months Subsequent to Adoption of Proposed Rates
  - ☐ Identify Revenue Impact of Water Conservation Rate Structure
  - ☐ Identify Further Need for Wastewater System Adjustments